



C.H. JOHNSON CONSULTING



Assessment of a Sports Complex Serving Ravalli County and the Greater Hamilton Area

SUBMITTED TO:
The Ravalli County Parks Board

SUBMITTED BY:
C.H. Johnson Consulting, Inc.
CTA Architects Engineers

April 2006

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I. TRANSMITTAL LETTER

C.H. JOHNSON CONSULTING, INC.

EXPERTS IN CONVENTION, SPORT AND REAL ESTATE CONSULTING

April 12, 2006

Alan Thompson
County Commissioner
Ravalli County Parks Board
215 South 4th Street, Suite A
Hamilton, MT 59840

Dear Mr. Thompson:

Pursuant to our engagement with the Ravalli County Commissioners, C.H. Johnson Consulting, Inc. (Johnson Consulting), in association with CTA Architects Engineers, has prepared an independent assessment of the market potential for a sports complex in Ravalli County, Montana. This report includes estimates of market potential and demand. The attached report explains the methods used to develop the estimates and details the results of the study.

Johnson Consulting has no responsibility to update this report to accommodate events and circumstances that occur after the date of this report. The findings presented herein reflect an analysis of primary and secondary sources of information. Johnson Consulting utilized sources deemed to be reliable but cannot guarantee their accuracy. Moreover, estimates and analysis presented in this study are based on trends and assumptions, which usually result in differences between the projected results and actual results. Because events and circumstances frequently do not occur as expected, those differences may be material.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely yours,



C.H. JOHNSON CONSULTING, INC.

Attachment

II. INTRODUCTION AND EXECUTIVE SUMMARY

INTRODUCTION

It is Ravalli County's belief that capacity exists for additional sports facilities within the County. Demand for such facilities continues to grow along with the County's population.

In order to conduct an analysis of this belief, the following questions were posed:

- Does Ravalli County have the market characteristics required to support these facilities?
- If market support exists, what are the appropriate market niches for Ravalli County? What facilities best position Ravalli County to capture these markets?
- What level of demand exists to support the recommended facilities?

Finding an affirmative answer to each of these questions, the analytical effort was then extended to address questions of location, development strategy, management operations, and finance.

This report should be used in its entirety, as each element of the analysis builds on information presented in previous sections.

This evaluation includes the following elements:

- A review of economic and demographic characteristics of Ravalli County and all potential markets,
- A market analysis that establishes demand potential and identifies business/facility sectors in the regional market, where there are unmet needs and thus the opportunity to foster growth and capture activity for Ravalli County,
- A review of existing facilities in the local trade area, the market orientation of each facility, and the size, frequency, and user base of other hospitality, sports, or consumer-based assemblies,
- A review of the local, state, and regional markets to establish the competitive position (niche) of a facility, and how it should be positioned in relation to the new or existing regional products,
- Case studies on sports and entertainment products developed in comparable environments throughout North America;
- A discussion of required support amenities and promotional efforts that may contribute to the success of the recommended facilities.

- Estimates of demand for a potential facility, based on a non-site specific solution, and
- Master planning guidelines associated with these recommendations.

In addition to this introduction and methodology review, the report contains the following sections:

- **Section 3** presents an economic and demographic overview of the local market and a summary of existing facilities. The information in this section is an essential component in understanding the economic and market framework needed to support new sports facilities.
- **Section 4** presents an overview of trends and factors of the leisure tourism industry, with specific consideration given to conditions in the competitive sports attractions industries that may impact the development and performance of facilities in Ravalli County. It presents guidelines to CTA and provides two case studies or comparable venues located in markets that could serve as models for development.
- **Section 5** presents a utilization profile and financial analysis for the proposed facility.
- **Section 6** presents an overview of the preliminary concepts developed for the sports facility.
- **Section 7** presents potential sites for the proposed sports complex, which were conducted by CTA.
- **Section 8** presents the economic and fiscal impacts analysis from a new sports complex in Ravalli County.

About the Authors

Johnson Consulting is a specialized real estate consulting firm that offers expertise in defining a community's needs and evaluating a project's potential. Our firm regularly works with municipalities to move a project from concept to implementation. We start with initial planning studies and then as the client makes decisions, we continue to add value as more definition develops for the project. Our firm is noted for its success on sports developments and our ability to be creative and effectively help structure clear business plans for complex real estate projects. We regularly head efforts of multi-disciplinary teams that include architects, economists, urban designers, lawyers, and other experts. We are able to integrate information from multiple parties into a single tool for use by government agencies and private developers to help execute projects.

CTA Architects & Engineers is a Montana-based firm with experience in the design of a wide variety of facilities, including community sports and recreation facilities. Each year CTA completes more than 500 projects, estimated at \$250 million in construction costs. CTA's local experience includes designing both the new Hamilton High School and its sports field layouts. The firm has conducted a comprehensive master plan for Parks and Recreation for the City of Caldwell and completed Billings Parks 2000 a fast track endeavor for renovating 18 parks and designing 12 new ones.

EXECUTIVE SUMMARY

Findings

In general, Ravalli County lacks adequate sports facilities, especially when compared with national statistics and trends. Even considering the not-for-profit facilities, the County falls below national standards for recreational facilities. The primary sports facilities are the Ravalli County Fairgrounds, Daley Fields, Westview Tennis Courts, Bitterroot Aquatic Center, and Corvallis and Hamilton High Schools. However, none of these facilities are entirely appropriate for the current and future needs of the County. Local demand exceeds the facility supply and current offerings suffer from many liabilities. As a result, many participants must leave the immediate area in order to participate in events such as club tournaments, camps, clinics, and other events. A new sports complex with appropriate features would provide better services to local residents and attract new events to the area.

Local Input

According to potential facility users and others who are familiar with the local market, there is a definite lack of indoor and outdoor facilities in the area that could host the type of events that would be held in the proposed Ravalli County Sports Complex. In particular, the County lacks adequate softball, baseball, soccer, and hockey facilities. With a new complex in Ravalli County that can accommodate these indoor and outdoor uses, events that currently take place outside of Ravalli County and Montana could be held in the area, and new events could be created because of the presence of the facility.

Recommendations

It is recommended that a multipurpose facility with six baseball/softball diamonds, four soccer fields, a concession stand, and restroom facilities be considered. A total of 44 acres will be needed to house the sports complex and it is recommended that

the facility to be connected to the trail system. Total costs are estimated at \$2.6 million.

Demand

There is a heavy demand for baseball/softball fields in Ravalli County. Furthermore, current venues are not of a high quality. The number of soccer fields could be reduced if school expansions occur as proposed. County growth would also indicate a need for future fields. A restroom facility with plumbing is in great demand since none of the parks in Ravalli County currently have such facilities. There are no basketball organizations in Ravalli County except for high-school teams. If an indoor gymnasium basketball facility is built in the future, Ravalli County will see basketball organizations develop. An ice venue is desirable, but probably not affordable at this point.

Operational Considerations

The Ravalli County Sports Complex will be operated and managed by the County Parks and Recreation Department. The proposed facility is expected, like most facilities of this type, to have annual net-operating deficit of \$50,000 to \$100,000. The reason for the deficit is mainly due to the seasonal nature of operations and the inability to charge high rents. Often these deficits can be mitigated through volunteer labor, other City and County departments, and donations and grants. Expenses of utilities and labor and ongoing repair and maintenance will run approximately \$3,500 per acre, similar to facilities in western Montana. De facto, the County has avoided some of these costs in the past, hence the poor condition of many of its venues. In a perfect world, the County's park system would be better able to influence its destiny by implementing a property tax and having dedicated resources for similar projects.

Conclusion

Ravalli County currently lacks an adequate sports complex that meets the community's needs. If the County wants to address the needs of its population, anticipate growth, have a compelling trail and recreation system, keep its residents from having to travel to other markets, and attract tournaments, then better facilities need to be provided. Based on the facility assumptions outlined in this report, it is believed that the proposed Ravalli County Sports Complex will generate a strong level of demand for a number of event types and bring in tournaments and championships that currently do not exist.

III. MARKET AND INDUSTRY OVERVIEW

MARKET AND INDUSTRY OVERVIEW

In order to assess the market support and opportunity for new sports facilities in Ravalli County, Johnson Consulting undertook a review of national market trends and evaluated local conditions and characteristics in the County as well as the proximate geographic region. The objective of the analysis presented in this section is to identify structural factors that influence the County's potential for demand/market capture for additional sporting events.

While characteristics such as population and income are not strict predictors for the success of recreation projects, they provide insight into the capacity of a market to support facilities or activities. Moreover, the size and role of a marketplace, the history of investment in recreation projects, the appetite for development amongst civic leaders, as well as competing and complementary development efforts all affect the scale or quality of facilities developed. The key observations from our market review and analysis are described in this section.

Product Categories

The term "sports/entertainment complex" is broad and can apply to many different types of facilities and products. While many facilities are known as sports complexes, each one has a unique mission, orientation, market, demand profile, set of facility elements, programming, and services. For example, one facility in a community may be oriented toward youth sports and recreation, another may focus solely on competitive tournaments or camps, while yet another may focus on equestrian events. However, common characteristics of community centers include outdoor fields, indoor courts, training facilities, locker rooms, concession areas, and sufficient parking. Given the range of product types grouped into the sports complex industry, it is critical to analyze the viability of a new facility in relation to its expected (or targeted) support market.

The physical environment in which a subject property is located in combination with factors such as accessibility to quality transportation and development (property) are additional conditions that influence the demand for the facilities.

Participatory Sports Characteristics and Facilities Trends

Over the last two decades, the role sports facilities have played in their communities has changed markedly. Whereas two decades ago the common tactic was to develop multi-purpose facilities with the intent to serve the broadest possible cross-section of a local community, today's facilities are often developed with the intent of serving niche clientele in an area and providing support amenities that make fans

more comfortable. As this has occurred, society has also become more mobile and time constraints for families are much greater, which has translated to the rise of short-duration, purpose-driven trips.

For communities, the commodity of entertainment and sports has led to changes in development strategies and the emergence of facilities and attractions that offer specialized, distinct, and fee-for-service amenities. In addition to the factors mentioned above, the following characteristics have also contributed to this evolution:

- Heightened expectations that facilities or programs should demonstrate some degree of “return.” For sports facilities, which are typically not self-supporting, the rationale for development is often infused with a discussion of the value it creates for the community through increased tournament play, and thus, fiscal return based on increased lodging, restaurants, or retail spending.
- Increasing expectations by elected officials that selected public sector functions can be operated as enterprise systems (e.g., use fees to minimize operating support). This trend is most notable in sports-facility operations where recent fiscal constraints have led to increased reliance on self-generating revenue for programs ranging from leagues to tournaments to skills training sessions. The Bitterroot Aquatic Center was conceived this way but is deferring maintenance and cannot accomplish this goal on a long-term basis.
- The changing dynamics of the industries that use sports facilities, as well as the changed expectations of participants. Tournament and league organizers are looking to maximize the yield for staging events and, as such, look for the facility that offers the best mix of concessions, safety, capacity, parking, and convenience.
- A More competitive environment fueled by increased range of facility types. As the development of private recreation offerings has increased so to have the range of options available to the users. In the instance of sports, the community recreation center or the YMCA was once the only options; today there may be numerous options. As such, each facility works hard to distinguish itself in a region, and often relies on the continual addition (or subtraction) of amenities such as multiple fields and courts, high-end locker rooms, or concessions to maintain appeal.
- Increased specialization and sophistication in design and make of the facilities has changed. Facilities are now designed with the specific mission of the intended use in mind and create an atmosphere with amenities that drive the specialized business of the facility, such as “championship stadiums” that target national and regional tournament play.

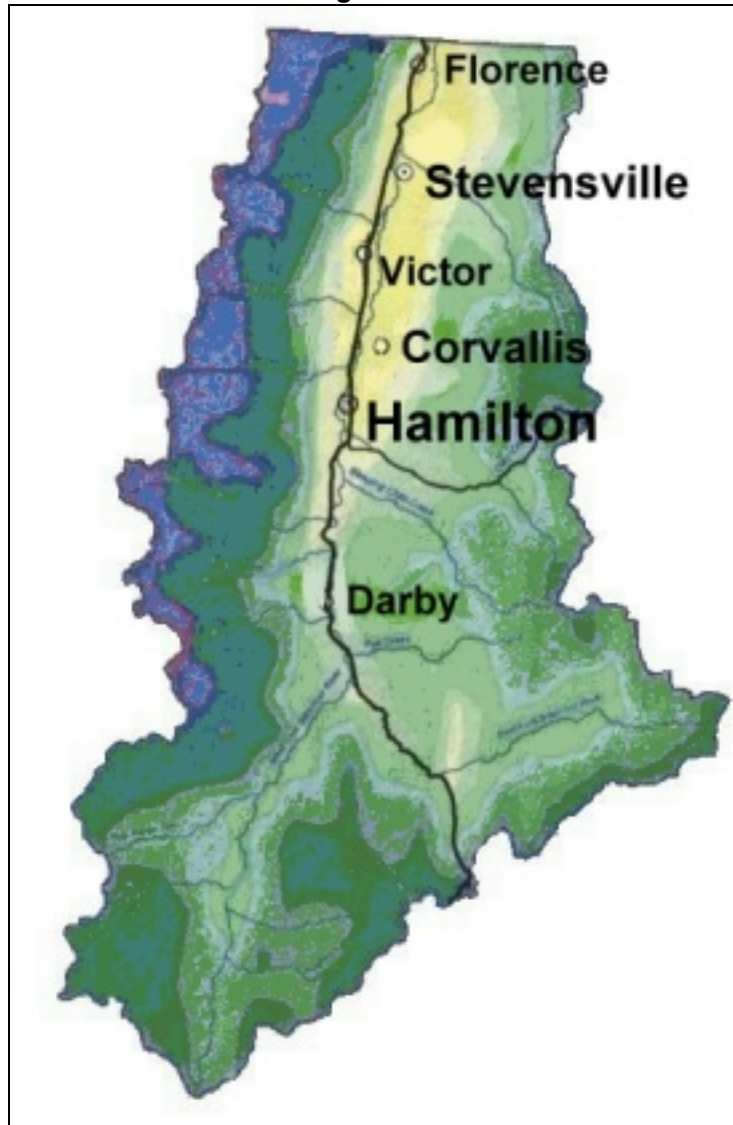
For Ravalli County, the challenge inherent in developing a new sports complex is determining if the complex will create enough demand to justify higher-end development and to ensure that the facility is distinct in relation to other regional offerings. In analyzing the potential for attractions in Ravalli County, Johnson Consulting worked under the following framework questions and concerns:

- What sports recreation facilities currently exist in the market?
- What uses or target markets should be contemplated?
- Is there sufficient market demand to support these uses?
- What physical programs should be developed?
- Will these attractions mesh with the current inventory of sports assets?
- What is the depth of the potential market?

Market Overview

Figure 3-1 shows the location of the major municipalities within Ravalli County.

Figure 3-1



Ravalli County is home to several small cities and towns including Darby, Hamilton (county seat), and Stevensville and the unincorporated areas of Corvallis, Florence, and Victor. In 2004, the County had approximately 39,400 residents. In addition, Ravalli County is situated proximate to Missoula, which must be considered both in terms of facilities already offered within the Missoula area and also as a potential supplementary demand base for the proposed facility.

Local and Regional Population

Table 3-1 displays the historical population of Ravalli County and incorporated cities and towns as compared to the State of Montana and the U.S.

Table 3-1

Historical Population and Growth Rates							
Geographic Area	1990		2000		2004		Annual Growth Rate
	Population	As % of County	Population	As % of County	Population	As % of County	
US	248,709,873	--	281,421,906	--	293,655,404	--	1.2%
State of Montana	799,065	--	902,195	--	926,865	--	1.1%
Missoula County	78,687	--	95,802	--	99,018	--	1.7%
Ravalli County	25,010	100%	36,070	100%	39,376	100%	3.3%
Darby	625	2.5%	710	2.0%	814	2.1%	1.9%
Hamilton	2,737	10.9%	3,724	10.3%	4,343	11.0%	3.4%
Pinesdale	670	2.7%	756	2.1%	829	2.1%	1.5%
Stevensville	1,221	4.9%	1,553	4.3%	1,829	4.6%	2.9%
Unincorporated County	19,757	79.0%	29,327	81.3%	31,561	80.2%	3.4%
Source: US Census Bureau, Johnson Consulting							

A strong local population base is typically important to the success of any recreational facility, including sports/entertainment complexes, because a portion of users will live within a reasonable driving distance of the venues.

Between 1990 and 2004, Ravalli County grew at an annual rate of 3.3 percent, which was almost triple the national growth rate of 1.2 percent and almost double that of Missoula County. This indicates a slight migration pattern of residents into Ravalli County, especially since the percentage of the State's population has grown at a third of what Ravalli County's growth rate has been.

Table 3-2 displays population projections for the County through the year 2025.

Table 3-2

Ravalli County Population Projections		
Year	Population	Annual % Change
2004	39,376	--
2005	41,280	4.8%
2010	46,120	2.2%
2015	50,840	2.0%
2020	55,450	1.8%
2025	60,030	1.7%
Compounded Annual Percent Growth		
2004-2025		2.0%
<i>Source: Ravalli County Community Profile Fall 2004</i>		

Population growth in the Metropolitan Statistical Area (MSA) is expected to maintain strong growth through 2025. The projected compounded annual percent growth for the County between 2004 and 2025 is approximately 2.0 percent, and the population is expected to reach 60,000 people by 2025.

The age distribution within the population base is a major indicator of demand for certain categories of events, particularly sports and entertainment products that draw families in support of the participants. Table 3-3 displays the distribution of Ravalli County's population by age group compared to national and state averages.

Table 3-3

Distribution of Population by Age					
	Percent of Population by Age				
	0-17	18-24	25-34	35-49	50 +
U.S.	24.9%	9.9%	13.5%	22.4%	29.4%
Montana	22.8%	10.8%	13.0%	22.0%	31.4%
Ravalli County	23.2%	8.9%	9.7%	20.6%	37.6%
<i>Source: Sales and Marketing Management</i>					

While the proportion of population by age in Montana is comparable to national rates, the proportion of population in Ravalli is slightly lower than the state and national average in every age group with the exception of the 50 and over age group. Therefore, this shows that Ravalli County is becoming a place where people are coming to retire and a place where people move to once their children have left home.

Income and Workforce Characteristics

The strength of a market's income and employment rate can be an indicator of its potential ability to support public-use recreational facilities. In general, higher income levels lead to greater amounts of disposable income, which can be spent on non-essential items such as recreation and entertainment. Less wealthy markets will have less disposable income available to spend on event tickets, for example, and would be expected to provide a lower level of attendee demand.

A healthy and diversified economy provides not only employment and disposable income for a market's residents; it also helps to insulate an area from economic downturns. Markets that have historically relied on one sector, such as manufacturing, have often had difficulty recovering from market shifts to other sectors, which leads to an overall loss of local income and employment.

Residents' effective buying income points to the amount of disposable income that is available locally. The data for the County is summarized in Table 3-4.

Table 3-4

Ravalli County Effective Buying Income						
Year	Total EBI (000,000)	Median Hsld EBI	% of Hslds by EBI Group			
			Under \$20,000	\$20,000 - \$34,999	\$35,000 - \$49,999	\$50,000 +
2001	\$481.8	\$26,218	36.7%	28.6%	17.0%	17.7%
2002	\$484.5	\$27,000	32.6%	32.6%	19.3%	15.5%
2003	\$551.3	\$28,922	29.4%	31.9%	19.8%	19.0%
2004	\$618.1	\$30,844	26.2%	31.1%	20.3%	22.4%
2005	\$658.3	\$32,211	25.0%	30.0%	21.1%	23.9%
Montana, 2005	n/a	\$31,794	27.7%	27.7%	20.8%	23.8%
U.S., 2005	n/a	\$39,324	21.5%	22.5%	19.3%	36.7%

Source: Sales and Marketing Management

As the table shows in 2005, the County had a total effective buying income (EBI) of \$658.3 million, with a median household EBI of \$32,211. In 2005, the median household EBI of the County was significantly less than that of the U.S. (\$39,324), but slightly higher than the State of Montana as a whole. The area's share of \$50,000+ households are only slightly more than that of the State, with both being well below the national percentage of \$50,000+ households.

Transportation and Accessibility

Ravalli County's transportation and infrastructure is well-developed and meets the increased demand for products and services in the region. U.S. Highway 93

provides the major link between the Bitterroot Valley and Missoula on which all the towns in Ravalli County lie. Ravalli County does not have an airport; the nearest airport is in Missoula. The Missoula International Airport served approximately 500,000 passengers in 2004, which saw a 4.5 percent increase in passenger traffic.

Market Depth

An examination of the market depth of a region is vital to any facility, particularly when the attraction is geared toward a given age group. Sports complexes are primarily oriented toward youth; an analysis of the size and demand of the youth market is warranted.

The population within given radii of Ravalli County are considerable in their size. Table 3-5 displays the total number of males and females by age group within 50-, 100-, and 200-mile radii of Ravalli County.

Table 3-5

Number of People by Age and Sex within Given Distance of Ravalli County						
Radius from center of Ravalli County						
	50 Miles		100 Miles		200 Miles	
	Male	Female	Male	Female	Male	Female
Age:						
0-9	7,515	7,015	14,253	13,486	96,697	91,396
10-14	4,219	3,960	8,331	7,858	54,951	52,013
15-17	2,922	2,699	5,957	5,672	37,753	35,954
18-20	3,499	3,637	6,203	5,922	40,734	38,350
21-24	4,499	4,304	7,764	7,147	49,590	46,453
25-34	10,049	9,193	16,037	14,536	102,540	95,442
35-44	8,768	8,869	16,551	16,544	105,570	106,840
45-54	10,062	10,495	19,818	20,090	121,623	124,103
55 and older	14,771	16,454	31,066	34,024	183,464	208,239
Total	58,789	59,611	111,727	111,793	696,225	707,394
<i>Source: Claritas, Johnson Consulting</i>						

As shown in Table 3-5, the total number of youth age 17 and under within a 200-mile radius of Ravalli County is approximately 369,000. The total number of adults 18 and over, an additional base of potential users of the sports complex is approximately 1.03 million.

Table 3-6 shows the number of groups in the sport programs currently offered in Ravalli County.

Table 3-6

Number of Groups in Participating Programs	
Group Size	Number of Groups
25 or less	3
26 to 50	1
51 to 75	0
76 to 100	1
101 to 250	4
251-500	1
500 +	2
<i>Source: Johnson Consulting</i>	

Many of the groups categorized in the table had fluctuating group numbers varying year to year due to enrollment at schools or enrollment in limited age group programs.

Table 3-7 shows the total number of parkland acres and park acreage per capita for Missoula and Ravalli Counties.

Table 3-7

County Parkland Acres					
	Developed/ Undeveloped Parklands (acres)	Conservation Land	Number of Park Sites	Total Park Acres	Park Acreage Per Capita
County:					
Missoula	760.97	3,174.27	112	3,935.24	0.04
Ravalli	777.60	4,000.00	82	4,777.60	0.12
<i>Source: Ravalli County, Missoula County</i>					

Missoula County has more parks than Ravalli County, but Ravalli County has more acreage and acreage of parks per person. As Ravalli County continues to grow the park to per capita ratio will continue to shrink. Ravalli County has one of the largest conservation parks in the state. Ravalli County has a 1,200 acre private wildlife refuge, which is the only one in the state, and makes up a quarter of the total park acres in the County. Conservation lands are preserve areas with significant natural resources, which make up a majority of the total park acres in Ravalli County.

The current park sports facilities located in Missoula County and Ravalli County are detailed in Table 3-8.

Table 3-8

Sports Facilities Per County				
Facility Type	# of Facilities in Missoula	# of Facilities in Ravalli	Facilities Per 1,000 Residents (Missoula County pop = 99,018)	Facilities Per 1,000 Residents (Ravalli County pop = 39,376)
Baseball/Softball Fields*	36	26	0.364	0.660
Basketball Courts	26	4	0.263	0.102
Football Fields	1	4	0.010	0.102
Horseshoe Pitches	22	1	0.222	0.025
Ice Skating Facilities	2	0	0.020	0.000
Soccer Fields	7	5	0.071	0.127
Swimming Pools	2	3	0.020	0.076
Tennis Courts	31	9	0.313	0.229
Volleyball Courts	15	1	0.151	0.025

*Includes the Stevensville Sports Complex.
Source: Sales and Marketing Management

In terms of absolute numbers, Ravalli County has only one third the number of sporting fields as compared to Missoula County. On a per capita basis, Ravalli County is competitive, but its population is growing rapidly and some of its current facilities are in poor condition. With a new sport/entertainment complex, Ravalli County will be able to attract a portion of the sporting tournaments and championships currently held in Missoula County. After the sporting/entertainment complex is built in Ravalli County, it will still lack in some playing surfaces, such as an ice rink.

A large youth population is important since youths are the primary users of such facilities. Table 3-9 displays the participation rates for seven selected sports in the US.

Table 3-9

Participation Rate by Sport 2003			
Sport	Participants (000's)	2003 U.S. Population Estimate (000's)	Participation Rate
Basketball	35,439		12.2%
Volleyball	20,286		7.0%
Soccer	17,679		6.1%
Baseball	10,885		3.7%
Martial Arts	6,883		2.4%
In-line Skating	2,718		0.9%
Lacrosse	1,132		0.4%
Totals	84,289	290,810	29.0%

Source: National Sporting Goods Association, Johnson Consulting

Basketball, volleyball, and soccer all have participation rates of greater than five percent, which signals a disproportionate need for facilities in these categories.

Table 3-10 displays the participation rates in all sports by age and gender.

Table 3-10

Participation Rate by Age and Sex			
	Male	Female	Totals
Age:			
0-9	61%	39%	100%
10-15	61%	39%	100%
16-18	66%	34%	100%
Totals			
<i>Source: National Council of Youth Sports, Johnson Consulting</i>			

The number of youth males participating in sports activities is consistently higher than that of females, regardless of age group. In the future, however, this gap is expected to narrow. This trend can be witnessed in the growth of organized soccer and the increased profile of volleyball.

Table 3-11 shows the estimated number of participants by selected sport within a 200-mile radius of Ravalli County.

Table 3-11

Ravalli County - Potential Participation within 200 mile Radius				
	Age			
	0-9	10-15	16-19	Totals
Basketball				
Male	179	109	108	395
Female	102	66	58	226
Baseball				
Male	102	62	62	226
Female	58	38	33	129
Soccer				
Male	89	54	54	197
Female	51	33	29	113
Volleyball				
Male	55	33	33	121
Female	31	20	18	69
Lacrosse				
Male	35	21	21	77
Female	20	13	11	44
Martial Arts				
Male	14	8	8	30
Female	8	5	4	17
In-line Skating				
Male	6	3	3	13
Female	3	2	2	7
Totals	752	469	443	1,664

Source: Johnson Consulting

The estimates shown in Table 3-11 are based on the participation rates as displayed in Table 3-9 and Table 3-10. The potential participation pool within a 200-mile radius of Ravalli County for the seven selected sports is approximately 1,700 participants. The 200-mile radius represents a reasonable distance from which regional demand can be expected. While there may be some national tournaments hosted at the venue, it is the 200 mile radius that represents the greatest potential for the complex. These numbers do not reflect potential participants for vibrant sports such as tennis, field hockey, and football. Furthermore, the participation rates represent an application of national participation averages to the regional population, which may underestimate the actual participation rates.

The depth of the market proximate to Ravalli is on par with populations that support more and better facilities. Targeting sports where current demand is unmet by existing facilities would help to ensure the proposed sports complex would capture a sufficient number of event days and, in turn, generate new travel and tourism to the area.

Implications

The conditions analyzed in this section indicate a growing foundation for additional sports complex components, offering a variety of athletic space that allows it to serve residents better and to host tournaments, leagues, camps, skills training sessions, and an occasional consumer show or festival at a single venue. The population growth rate in Ravalli County is high. Dynamics are occurring in the market where existing facilities could be cannibalized, and due to urban pressure, there is a complex allowing for facilities to be centralized in a park, with connections to the regional trail system.

As will be explored in subsequent sections, this potential can only be realized through the adoption of the appropriate market targeting, development of the appropriate physical product, and recognition that these proposed events can become an important ingredient in generating visitation and sustaining the long-term economic growth of southwestern Montana.

For the Ravalli County area, the potential market niche rests predominately in regional tournament use and ties into other recreation amenities such as the trail system. As the Ravalli County area offers fledgling amenities, indications are that the area should be able to effectively serve its residents and begin to cultivate an identity with tournament promoters and national and regional athletic associations, if amenities are packaged.

IV. OVERVIEW OF EXISTING FACILITIES AND MARKET POTENTIAL

OVERVIEW OF EXISTING FACILITIES AND MARKET POTENTIAL

Johnson Consulting has analyzed local and regional facilities in order to help demonstrate the potential for a sports/entertainment complex in Ravalli County. While each complex is different, these complexes exhibit characteristics or traits that may be appropriate for consideration in Ravalli County.

Based on facility management interviews, industry experience, and user interviews, a substantive portrayal of each complex emerged. Insights that are relevant to the planning of the proposed sports/entertainment complex are highlighted in this section.

Local Athletic Facilities

The Ravalli County area currently has a limited number of facilities that serve the athletic, recreational, and events markets. This section describes facilities in the Ravalli County area that are particularly relevant to the proposed sports complex. While there are numerous other facilities of various types and sizes throughout the region, the facilities described in this section are those that would most likely host the type of events expected to be held at the proposed complex. Johnson Consulting did not profile high school fields because high school facilities are used only by the high school sports teams.

Most of the parks in Ravalli County do not charge usage fees; instead parks are considered donated land for anyone to use. The parks were built and are maintained on a volunteer basis, therefore Ravalli County Parks and Recreation does not charge for the use of these facilities.

There is a heavy demand for baseball and softball fields. There are approximately 60 little league teams and 25 girls' softball teams in Ravalli County. Girls' softball leagues cannot play during their regular season due to the high demand from boys little league teams, which have first priority of the fields. Instead, the girl's softball leagues have to play in the fall. In Stevensville, there can only be eight teams at a time playing baseball or softball due to the limited space. There is no organized basketball league in Ravalli County except in the schools.

Every park in Ravalli County has port-a-potties, but none have restroom facilities that are hooked up to the sewer system. This is due to a state law, which does not allow parks to have restroom facilities unless there is a sewage and water system already available at the site. This has posed problems in the past when other parks have been planned and it was determined that the state would not pay for sewage

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and water systems to be built within the new parks, resulting in the use of port-a-potties.

According to one of the sport organizations surveyed, Hamilton charges \$1,000 per team per year to use the fields. The fields mentioned are at the County Fairgrounds and consist of two uneven baseball fields, without bathroom facilities. Table 4-1 shows the rental rates for other area Parks and Recreation facilities.

Table 4-1

Rental Rates for Recreational Use							
City/Facility	Baseball/ Softball	Basketball		Volleyball	Soccer		Comments
		Individual	Team		Outdoor	Indoor	
Missoula Parks & Recreations	\$9-14 hr.	\$25 hr. for 2 people	\$380	\$200/Team	\$12 hr or \$75/Team	\$135/Team	Softball pricing is based on a non-prepped field vs. prepped field.
Helena Parks & Recreations, Helena YMCA	N/A	\$40	N/A	\$40/ person	\$40/ person	N/A	Both the YMCA and Parks and Recreations have same pricing.
Source: Johnson Consulting, Respective facilities							

Butte and Bozeman did not charge for park usage. As the Table 4-1 shows, the two closest cities to Ravalli County assess a range of fees to users. The Ravalli County market is price sensitive, which creates an obstacle to the financial sustainability of the proposed sports facilities. Table 4-2 shows the parks in Ravalli County with total number of fields for each park.

Table 4-2

Park / Town	Ravalli County Parks with Sports Facilities								
	Number of Fields/Courts								Swimming Pools
	Soccer	Baseball/ Softball	Little League*	Basketball	Football	Tennis	Volleyball	Horseshoes Pitches	
Florence	1	2	2	-	1	1	-	-	-
Hamilton	-	-	-	-	-	-	-	-	2
Vester Wilson Athletic Field	-	3	-	-	-	-	-	-	-
Lone Rock	1	1	3	1	-	2	-	-	-
Stevensville 4-plex**	-	1	3	-	-	-	-	-	-
Stevensville	1	1	-	2	1	-	-	1	1
Victor	-	4	-	-	1	-	1	-	-
Corvallis Complex	1	2	2	1	1	6	-	-	-
Darby	1	2	-	-	-	-	-	-	-
Total	5	16	10	4	4	9	1	1	3

* Little League field is a smaller field
 ** To be Completed Summer of 2006
 Source: Johnson Consulting, Ravalli County Park Board

As the table shows, baseball/softball and little league fields make up the majority of the sports facilities available in Ravalli County (53 total). According to various sports organizations, the County has an inadequate supply as current demand requires double this amount of fields. Most basketball courts are on school property and since there are no basketball leagues outside of the school system, Ravalli

County only offers four basketball courts. The same goes for football. In addition to the soccer and baseball fields, Darby offers a rodeo ground for recreational use. Lone Rock Park and the Stevensville Four-Plex are under construction and are scheduled to be completed in the late spring/early summer. The Stevensville baseball/softball Four-Plex will help alleviate the frustration the town is experiencing due to the limited fields it currently has.

Ravalli County Fairgrounds

The Ravalli County Fairgrounds has two poorly maintained baseball/softball fields adjacent to it. This is the only park with playing fields. The facility does not have any locker rooms or concession stands. Various men's, woman's, co-ed, and church baseball/softball leagues use the Fairgrounds. Leagues pay the county \$1,000 per year, which covers the cost to maintain the fields. The field is going to be turned into a parking lot for the new Ravalli Convention Center that is scheduled to be completed in the summer of 2006.

Fort Missoula Park

Fort Missoula Park is located in Missoula County. The facility is located 43 miles north of Hamilton. It encompasses 60 acres with a one mile long jogging path, eight tennis courts, two soccer fields, six softball diamonds, one rugby pitch, horseshoes pitch and a playground. The park is used by leagues and students to fulfill the demand not met by the schools. The facility also has an area with covered picnic tables and barbeque pits. There are restrooms at two locations and a small concession building in the central hub by the softball fields. Fort Missoula's operating revenue is approximately \$20,000 a year with expenses running at approximately \$3,500 an acre, making Fort Missoula's net operating income of negative \$190,000. Other parks in Missoula County have operating expenses between \$3,500 to \$4,500 per park, depending on whether it is owned and managed by the city or county.

Washoe Park

Washoe Park is located in Anaconda, two and one half hours east of Hamilton. It has four baseball/softball fields with lighting and two fields without. The park also has tennis courts, picnic area, and barbeque areas as well as a two floor concession building. The concession building has several vendors inside and offers viewers a 360 degree view of the fields. Goosetown Softball Tournament, which is the second-largest softball tournament on the West Coast, is played in Washoe Park and lasts for three days. The induced impact from this event is estimated to be \$3.2 million, with more than 200 teams competing in the tournament.

Local Facilities Visited

Johnson Consulting met with representation from the different sports centers to discuss and learn more about each facility in the Ravalli area.

Bitterroot Aquatic Center

The Bitterroot Aquatic Center receives assistance for utilities from Ravalli County Park District #2, which also owns the facility. Funding comes from a tax mill levy in the Corvallis and Hamilton School Districts. The one acre of land that the aquatic center is located on is owned by the Hamilton School District. Its main competition is from the nearby Canyons sports complex. The aquatic center has no budget for capital improvements and will need substantial funds in the future for maintenance. According to management, the center would prefer any sports facility development to be near the aquatic center to attract additional people to that complex.

Ravalli Sports Club

Johnson Consulting met with individuals from the Ravalli Sports Club and from Ravalli United to discuss their facility needs and their soccer fields. Currently both groups are fairly satisfied with the number of fields available for their programs and are more concerned with the maintenance of their current fields, which is at the top of their priority list. These programs are heavily dependent upon the use of school district fields, in particular at Daly Elementary School.

There is a Kiwanis soccer program for younger children, after whom the Ravalli Sports Club steps in and helps develop the kids further. However, many kids do not remain with soccer after the Kiwanis program due to competition from other sports such as football. Kiwanis are in the process of developing a spring youth league to supplement the Kiwanis youth program, which takes place in fall. There are plans in the future for expansion including increasing the number of fields to host tournaments, new restroom facilities, a concession area, storage area, and a playground.

Bitter Root Softball Association

The Bitterroot Softball Association currently plays in parking lots at the Ravalli County fairgrounds. These are somewhat dangerous fields because the County does not maintain them. The high school softball fields do not allow alcohol and have been closed off to non-high school events. The association holds its tournaments in Missoula and McCormick and will also occasionally go to Coeur D'Alene. The current users of the field are the men's league and the church league; each uses the field two nights a week. The association sees a need for four fields with dual

softball/baseball use to accommodate the current demand. Teams from the Stevensville area would use fields if they were located near Hamilton. Basic camping space near fields would be ideal for teams that often come the night before for early tournaments and need inexpensive over night options. The Bitterroot Softball Association thinks integration with the trail system would be beneficial for a new sports complex. Whether fixing the existing fields or building a completely new facility, a new facility is necessary for the community.

American Legion, Cal Ripken/Bambino

American Legion baseball is organized under the Hamilton Baseball Association. The Cal Ripken uses the fields behind the American Legion, which are rented from the City. The American Legion has proposed to build a baseball Four-plex to accommodate the market demand. Each town in the valley has its own program, with exception of Darby, whose kids come up to the Hamilton area. North Valley is in the process of building a sports complex with park funds. Currently, it is hard to share fields for baseball and softball due to time constraints and a limited number of fields. Some issues for the American Legion are insufficient seating (there is currently only seating for 400-500 people for Legion games) and the lack of sufficient parking.

Trails: Bitter Root Land Trust Trail System

The trail system is being constructed along the highway throughout the County, and ties together communities and locations within communities. There is a need to continue to integrate any future parks space into the system or locate future parks near existing trails so users can move from one park to the next without interruption.

Ice Rink

There has been some difficulty with increasingly warmer winter temperatures to maintain a skater-friendly sheet of ice through the winter. Other problems include the cost of replacing equipment such as liners because funding is limited. Advocates suggested following what Missoula did with their ice facility by starting with an improvised covered area and gradually improving the facilities as funding, population, and interest grow. Proponents of this venue see the possibility of grants for equipment through NHL associations, and are hoping for support from the County for items such as donated land. Currently there are no ice facilities in Ravalli County and there is an increasing need for a full-size rink. The schools have been very open to the idea of an ice rink, but have no capital funding available to assist with such a project.

Stevensville Baseball

The Stevensville Baseball program currently is in the process of developing a four-plex, which would consist of two little league fields, one Babe Ruth field, and a softball field. There has been expressed interest for a youth football team and practice site. Stevensville is also in the process of developing a \$3.5 to \$4.0 million community center with the possibility of an outdoor pool.

Existing and Potential User Survey

Johnson Consulting conducted a survey to determine local sports organizers' assessments of a Ravalli sports complex. While results cannot be relied upon to generate absolute numbers, they provide clear insight into the needs of the area. Key findings include:

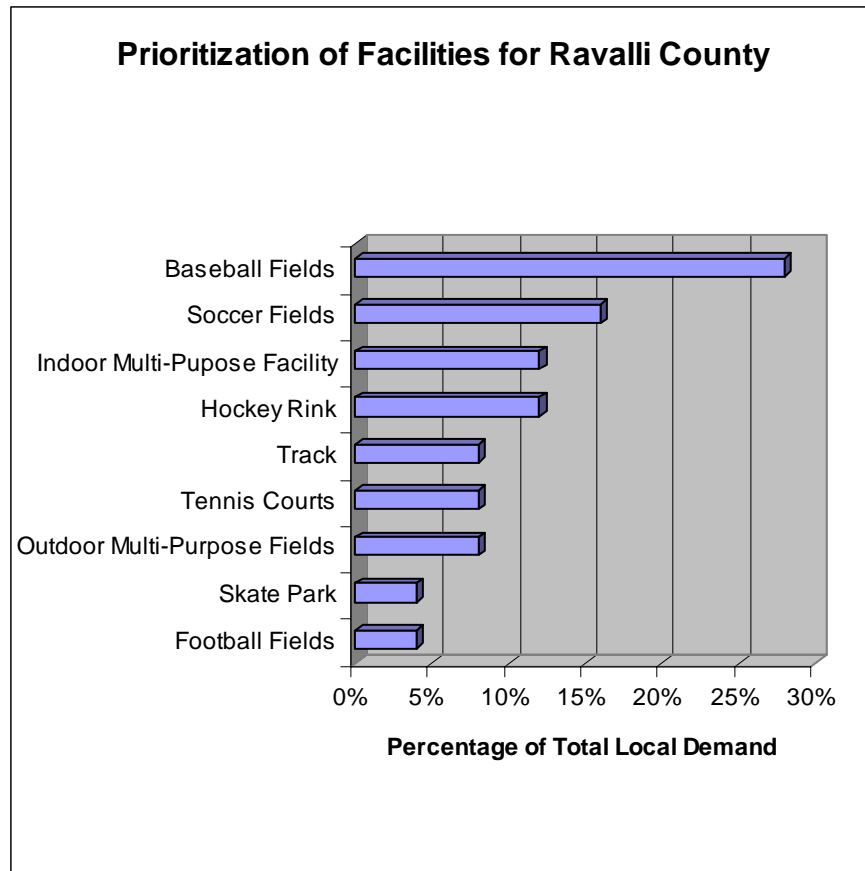
- The majority of members who participate in sports groups live in central Ravalli County.
- The largest sporting type represented in the survey was baseball/softball.
- The Ravalli County Fairgrounds and schools were the sports facilities used to host the organizations' events.
- Current users of the existing facilities say that an entirely new facility is needed and improvements to current facilities would not be able to meet their long-term needs.
- The Hamilton-Corvallis area is most desirable for a new sports facility.
- If a new facility is built, the organizations believe they could host more state and regional tournaments.

It was stressed by many organizations that there currently is no suitable space to hold their events. New playing fields, especially baseball and softball fields, are what the organizations stressed as having the greatest importance. Several reported uneven fields, which are dangerous to play on, and some respondents stressed the need for an ice rink. Most of the organizations surveyed said they would like to see a multi-use sports complex, which includes soccer fields, baseball fields, an indoor track, and an indoor ice rink.

Local Interviews

Based on our tour of the market and work performed to date, we have developed preliminary product recommendations based on prioritization of facilities as shown in Figure 4-1.

Figure 4-1



The figure represents the indicated need for local facilities. The demand for sports facilities in Ravalli County are (in order): softball/baseball, soccer, and hockey. Approximately 25 percent of the people surveyed said they would like to see more baseball/softball fields. Soccer was the second most demanded fields with an indoor multi-purpose facility, hockey rink the third most demanded facility. An indoor multi-purpose facility would consist of basketball/volleyball courts, indoor track, and indoor soccer fields.

Demand Potential

Most of the potential business for the Ravalli County Sports Complex will emanate from nearby locations, as well as the large population base located within a 200-mile radius and some West Coast and some national events.

A new sports complex needs to be managed by County staff and developed to create demand on the local level through league play, camps, etc. and to further increase demand and appeal for the facility. While it will take a facility in Ravalli

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County time to be fully utilized, it will become a significant addition within the market. There are several demand categories that the facility, as indicated, could help address. As time passes, shortcomings such as a lack of identity in the sports complex industry will improve. During the first few years, however, the need to foster tournaments, recapture events that use venues in Missoula, create/promote leagues, and grow existing events will be necessary to build use of the complex. A successful complex can be built by providing support amenities, such as concessions, a play area, and a skate park that tie into the trail system.

With an improved complex, the demand profile at the facility will increase in volume and improve in quality. Table 4-3 shows a summary of anticipated demand at the proposed sports complex.

Table 4-3

	Usage Assumptions			Notes
	6 Baseball/ Softball Fields	4 Soccer Fields	# of times each field will be used	
January	Low	Low	0	During the winter months with the snowfall, fields will not be in use.
February	Low	Low	0	During the winter months with the snowfall, fields will not be in use.
March	Medium	Low	6/9	Baseball/softball season begins as well as outdoor soccer.
April	High	Medium	26/40	Games begin for baseball/softball and soccer. Tournaments begin.
May	High	High	26/44	Peak of spring soccer season and baseball/softball. Numerous games/tournaments are played. Start of some championships.
June	High	High	30/55	Championship games wrap up for spring sports. Summer sports programs begin.
July	High	High	30/62	Summer sports programs in full session. Tournaments and games played by soccer and baseball/softball.
August	High	High	26/55	Summer sports play championship games during the beginning of the month. Fall sports such as soccer start practice.
September	High	High	26/40	Baseball/softball leagues from the summer start championships. Soccer begins playing many games.
October	Medium	Medium	14/15	Summer baseball/softball leagues finish games. Soccer finishes games, tournaments and championships.
November	Low	Low	0	During the winter months with the snowfall, fields will not be in use.
December	Low	Low	0	During the winter months with the snowfall, fields will not be in use.

Source: Johnson Consulting

The new sports/entertainment complex will be at its fullest use during the summer. Most of the users are expected to be school and league groups. Usage of each field is based on one to two games on Saturday and Sunday, with each field being used once every night of the week. Between May and July, there will be a tournament of some sort at least once a month.

Our market analysis shows the following demand sectors what can be expected:

- ***Tournaments*** – There are no facilities in the area that are of sufficient size to host regional tournaments for soccer, baseball, basketball, softball, or hockey. The addition of a new facility with greater capacity and amenities would be able to draw local, regional and infrequent national youth sport associations. Ravalli County is currently losing four to six softball league tournaments a year and approximately one state high school softball tournament. The City of Missoula holds tournaments every weekend from April through early summer. According to several baseball leagues, Ravalli County is losing two to three tournaments a year due to insufficient fields. Soccer leagues were currently satisfied, but in the intermediate future more fields will be needed.
- ***Camps/Sports Festivals*** – Camps are currently offered by some local facilities, but the size and quality of the new facility could enable it to handle larger camps and sports festivals that could possibly draw from a larger market as well. This type of event is expected to last three-to-four days and could draw professional athletes and coaches as instructors.
- ***Skills Training*** – Another type of event to maximize use of the facility would include skills training sessions. Skills training would draw demand from those already using the facility for other events. This event type would likely last one-to-two days and would draw local amateur and professional athletes as instructors.
- ***League Play*** – Leagues are offered at current facilities in the area, but expansion and league growth due to the quality of a new facility will help increase the market's ability to capture such events.

Implications

A new sports complex is needed to meet the current demand, since there are insufficient facilities for teams and tournaments to use in Ravalli County. The size of the facility is discussed in the next section. Some users not specifically mentioned feel the lower prices that Missoula charges are still too high.

V. RECOMMENDED FACILITIES

RECOMMENDED FACILITIES

This section provides a description of each of the major elements required for the first phase of the indicated sports complex.

Baseball/Softball Fields

The baseball and softball complex should feature six high-quality fields that resemble the amenities of leading national venues. They should include night lighting, well-designed dugouts, bullpens, helmet/equipment shelves, hospitality areas for concessions, restrooms, and adequate seating. The complex should designate three fields specifically for softball (no infield grass) and three for baseball (with infield grass). For larger tournaments, all fields can be utilized for either baseball and/or softball. Temporary fences should be available for games when shorter distances are required.

In terms of number and types of fields, a six-plex divided between softball and baseball would meet the current and mid-term needs of sport organizations in the County and, with proper maintenance, meet the needs of these organizations for many years to come. It is envisioned that the six-plex would include three softball fields and three baseball fields. In addition, consideration should be given to a “movable mound” for one of the baseball fields so it could be converted to use as a softball field. One stadium should be designated as the “championship stadium” and offer as many seats as currently available at American Legion Field.

Centrally located to the six-plex should be an appropriately sized building for concessions and restroom facilities. Restroom facilities should include an appropriate number of stalls to avoid long wait times and also other amenities for ease of use by the number of families that are anticipated to utilize the sports facilities. In addition, consideration should be given to including a storage area for maintenance equipment and possible additional space for storage of equipment for organizations that regularly utilize the complex.

Soccer Fields

For future development, land should be set aside for a minimum of four soccer fields. This would help mitigate future costs for land acquisition and ensure that soccer organizations have sufficient space if fields in current use were no longer available.

Other Considerations

Site selection of the proposed complex is of crucial importance in order to determine the ultimate composition and viability of the project. A central County location is warranted, given the current and projected population concentration and growth patterns.

Location of the sports complex will dictate the ultimate size of the project and also the possibility of additional amenities, including, but not limited to, playground areas and picnic shelters/barbeque areas. Onsite or nearby basic camping sites were also mentioned and could be a consideration. A skate park would be an attractive amenity and broaden the use of the complex to teenagers.

Any proposed sports complex will need to include plans for integration of the sports complex into the County-wide trail system. Integration into the trail system will align the project with the County's long-term vision and will provide concession and restroom amenities to users of the trail system.

The sports complex should be able to offer alcohol on site, as this is important to tournaments. Concession areas at other complexes have had age zoned second levels with overlooks at the field. While this requirement inhibits the use of school property as a location, a site adjoining a school makes sense.

In the future, a single-sheet, enclosed ice facility should be considered. This could be developed in association with a "community center," perhaps near the aquatic center so as to save on management costs. An alternative location of the facility would be in the north end of the County, in order to draw demand from the Missoula area. Such a location would help create County-wide support for park projects in general.

Proposed Site Plan

Figure 5-1 presents a site plan for the suggested facilities. As stated, it is assumed that the site chosen is free of major defects that would create unforeseen costs. This information is not directed to any chosen site but is meant to be a tool to help determine which site is best suited for this complex.

Figure 5-1



Program Concepts

In response to the market direction and based upon the information gathered through community meetings and furnished in the Phase 1 report dated November 16, 2005, the consulting team provides the following site planning direction. This information is not directed to any chosen site but is meant to be a tool to help determine which site is best suited for this complex.

The approach to the development of this facility combines the requisite entities, three softball fields and three baseball fields, with room for four future soccer fields. Accommodation has been made for a future ice pavilion and open space for picnicking and camping. It is the intent of this planning model to connect this site to the County-wide trail system.

Table 5-1 shows, based upon information gathered in the community visits and discussions, and tested against conceptual layouts, our proposed building program.

Table 5-1

Sports/Entertainment Complex Building Program	
Venue	
Outdoor Area	
3 softball fields	
3 baseball fields	
Restroom facilities	
Concession facilities	
Bleachers on 1 championship field	
Maintenance/Storage facilities	
4 Soccer Fields	
Open area for tent camping/future Ice Rink	
	<hr/> 40 acres
Other Infrastructure	
Parking Spaces: 550	4 acres
Optional Amenities	
Removable pitcher mound	
Lighting of "championship" baseball field	
Infield drains	
Walking/jogging track	
Potential Land Requirement	<hr/> 44 acres <hr/>
<i>Source: Johnson Consulting, CTA Architects</i>	

As the table shows, CTA estimates that the outdoor area will require approximately 44 acres of land depending upon natural site amenities and layout. If the ice rink is

considered for this site, an additional four to six acres would be required. An additional five acres, would be required to facilitate a future ice pavilion and the associated parking required. Additional acreage for camping and open space is discretionary.

Descriptions of the Functional Elements

This section provides a brief description of each of the major spaces required for the sports complex, providing amplification to the direction provided by Johnson Consulting. These short narratives explain the basic functional requirements for the type of spaces and the necessary relationships to adjacent spaces.

Softball Fields

The softball fields will consist of three stand-alone, high-quality fields with permanent fencing, dugouts, and individual field bleacher space. These fields will be designed with a minimum distance of 200 feet along the foul line to a maximum of 275 feet. The baseball/softball complex will share connecting sidewalks/pathways, concessions, and restroom facilities.

Baseball Fields

The baseball fields will consist of three stand-alone, high-quality fields with permanent fencing, dugouts and individual field bleacher space. These fields will be designed with a distance of 300 feet down the foul line and a minimum of 350 feet to center field (*National Federation Rule Book*). One championship field may be fitted with lighting, field drains, and a removable pitcher's mound. This field would have bleachers to accommodate 750 to 1,000 spectators and have the ability to be expanded as the need increases.

Soccer Fields

The soccer fields will consist of four grass, multi-purpose grass fields with dimensions of 210 feet x 360 feet and provide convertible infrastructure for a variety of sports besides soccer, including football, lacrosse, rugby, archery*, and field hockey, among others. The design concept allows the fields to be used for separate events that can be contested simultaneously, or combined for the same tournament. One championship field will have fixed seating (bleachers) which combines seating, storage, concessions, and restrooms into one facility.

*Archery requires special safety considerations when offered in conjunction with other sports venues in the same complex.

Open space

Open space has been included to allow individuals to pitch tents for multiple-day tournaments. This space allows for future growth and expansion.

Playground

A playground facility has been included to allow children to play in a safe environment while parents are enjoying the soccer and baseball/softball facilities. A skate park could be phased in at a later date.

Parking

Parking has been included to accommodate the simultaneous use of the baseball, softball, and soccer venues. Three spaces for each player on a baseball/softball field are the base criteria to establish parking. The parking is in a central location to all venues, totaling 550 spaces.

Cost Estimate

As stated, it is assumed that the proposed sports complex will be of comparable quality to the Fort Missoula Complex. The estimate as shown in Table 5-2 assumes that the site chosen is free of major defects that would create unforeseen costs, which include design fees, construction and parking costs. The estimate includes a ten percent contingency and contemplates the use of high-end materials. The estimate does not include the cost of the land acquisition, remediation if required, or inflation.

Table 5-2

Sports Complex Development Estimate		
Item	Units	Cost
Baseball Fields	3	\$300,000
Infield Drains	3	\$15,000
Ball Field Lights (option)	6	\$600,000
Bleachers	4 sets	\$40,000
Score Board (option)	1	\$25,000
Softball Fields	3	\$225,000
Concession/Restroom	1	\$160,000
Soccer Fields	4	\$160,000
Soccer Field Bleachers	2	\$30,000
Concrete Walkways	10,000 SF	\$50,000
Asphalt Walking Trails	6,000 SY	\$120,000
Site Lighting	20	\$80,000
Parking	320 spaces	\$224,000
Maintenance Building	1	\$150,000
Restrooms	2	\$20,000
Picnic Tables	10	\$4,000
Picnic Pavilion	1	\$20,000
Trees	100	\$15,000
Open Space Seeding	10 acres	\$15,000
Entry Sign	1	\$3,500
Total		\$2,256,500
<i>Source: CTA Architects</i>		

The total cost of the sports complex will be approximately \$2.3 million.

RECOMMENDED FACILITIES

This section provides a description of each of the major elements required for the first phase of the indicated sports complex.

Baseball/Softball Fields

The baseball and softball complex should feature six high-quality fields that resemble the amenities of leading national venues. They should include night lighting, well-designed dugouts, bullpens, helmet/equipment shelves, hospitality areas for concessions, restrooms, and adequate seating. The complex should designate three fields specifically for softball (no infield grass) and three for baseball (with infield grass). For larger tournaments, all fields can be utilized for either baseball and/or softball. Temporary fences should be available for games when shorter distances are required.

In terms of number and types of fields, a six-plex divided between softball and baseball would meet the current and mid-term needs of sport organizations in the County and, with proper maintenance, meet the needs of these organizations for many years to come. It is envisioned that the six-plex would include three softball fields and three baseball fields. In addition, consideration should be given to a “movable mound” for one of the baseball fields so it could be converted to use as a softball field. One stadium should be designated as the “championship stadium” and offer as many seats as currently available at American Legion Field.

Centrally located to the six-plex should be an appropriately sized building for concessions and restroom facilities. Restroom facilities should include an appropriate number of stalls to avoid long wait times and also other amenities for ease of use by the number of families that are anticipated to utilize the sports facilities. In addition, consideration should be given to including a storage area for maintenance equipment and possible additional space for storage of equipment for organizations that regularly utilize the complex.

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Other Considerations

Site selection of the proposed complex is of crucial importance in order to determine the ultimate composition and viability of the project. A central County location is warranted, given the current and projected population concentration and growth patterns.

Location of the sports complex will dictate the ultimate size of the project and also the possibility of additional amenities, including, but not limited to, playground areas and picnic shelters/barbeque areas. Onsite or nearby basic camping sites were also mentioned and could be a consideration. A skate park would be an attractive amenity and broaden the use of the complex to teenagers.

Any proposed sports complex will need to include plans for integration of the sports complex into the County-wide trail system. Integration into the trail system will align the project with the County's long-term vision and will provide concession and restroom amenities to users of the trail system.

The sports complex should be able to offer alcohol on site, as this is important to tournaments. Concession areas at other complexes have had age zoned second levels with overlooks at the field. While this requirement inhibits the use of school property as a location, a site adjoining a school makes sense.

In the future, a single-sheet, enclosed ice facility should be considered. This could be developed in association with a "community center," perhaps near the aquatic center so as to save on management costs. An alternative location of the facility would be in the north end of the County, in order to draw demand from the Missoula area. Such a location would help create County-wide support for park projects in general.

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Figure 5-1



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Maintenance/Storage facilities	
4 Soccer Fields	
Open area for tent camping/future Ice Rink	
	<hr/> 40 acres
Other Infrastructure	
Parking Spaces: 550	4 acres
Optional Amenities	
Removable pitcher mound	
Lighting of "championship" baseball field	
Infield drains	
Walking/jogging track	
Potential Land Requirement	<hr/> 44 acres <hr/>
<i>Source: Johnson Consulting, CTA Architects</i>	

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considered for this site, an additional four to six acres would be required. An additional five acres, would be required to facilitate a future ice pavilion and the associated parking required. Additional acreage for camping and open space is discretionary.

Descriptions of the Functional Elements

This section provides a brief description of each of the major spaces required for the sports complex, providing amplification to the direction provided by Johnson Consulting. These short narratives explain the basic functional requirements for the type of spaces and the necessary relationships to adjacent spaces.

Softball Fields

The softball fields will consist of three stand-alone, high-quality fields with permanent fencing, dugouts, and individual field bleacher space. These fields will be designed with a minimum distance of 200 feet along the foul line to a maximum of 275 feet. The baseball/softball complex will share connecting sidewalks/pathways, concessions, and restroom facilities.

Baseball Fields

The baseball fields will consist of three stand-alone, high-quality fields with permanent fencing, dugouts and individual field bleacher space. These fields will be designed with a distance of 300 feet down the foul line and a minimum of 350 feet to center field (*National Federation Rule Book*). One championship field may be fitted with lighting, field drains, and a removable pitcher's mound. This field would have bleachers to accommodate 750 to 1,000 spectators and have the ability to be expanded as the need increases.

Soccer Fields

The soccer fields will consist of four grass, multi-purpose grass fields with dimensions of 210 feet x 360 feet and provide convertible infrastructure for a variety of sports besides soccer, including football, lacrosse, rugby, archery*, and field hockey, among others. The design concept allows the fields to be used for separate events that can be contested simultaneously, or combined for the same tournament. One championship field will have fixed seating (bleachers) which combines seating, storage, concessions, and restrooms into one facility.

*Archery requires special safety considerations when offered in conjunction with other sports venues in the same complex.

Open space

Open space has been included to allow individuals to pitch tents for multiple-day tournaments. This space allows for future growth and expansion.

Playground

A playground facility has been included to allow children to play in a safe environment while parents are enjoying the soccer and baseball/softball facilities. A skate park could be phased in at a later date.

Parking

Parking has been included to accommodate the simultaneous use of the baseball, softball, and soccer venues. Three spaces for each player on a baseball/softball field are the base criteria to establish parking. The parking is in a central location to all venues, totaling 550 spaces.

Cost Estimate

As stated, it is assumed that the proposed sports complex will be of comparable quality to the Fort Missoula Complex. The estimate as shown in Table 5-2 assumes that the site chosen is free of major defects that would create unforeseen costs, which include design fees, construction and parking costs. The estimate includes a ten percent contingency and contemplates the use of high-end materials. The estimate does not include the cost of the land acquisition, remediation if required, or inflation.

Table 5-2

Sports Complex Development Estimate		
Item	Units	Cost
Baseball Fields	3	\$300,000
Infield Drains	3	\$15,000
Ball Field Lights (option)	6	\$600,000
Bleachers	4 sets	\$40,000
Score Board (option)	1	\$25,000
Softball Fields	3	\$225,000
Concession/Restroom	1	\$160,000
Soccer Fields	4	\$160,000
Soccer Field Bleachers	2	\$30,000
Concrete Walkways	10,000 SF	\$50,000
Asphalt Walking Trails	6,000 SY	\$120,000
Site Lighting	20	\$80,000
Parking	320 spaces	\$224,000
Maintenance Building	1	\$150,000
Restrooms	2	\$20,000
Picnic Tables	10	\$4,000
Picnic Pavilion	1	\$20,000
Trees	100	\$15,000
Open Space Seeding	10 acres	\$15,000
Entry Sign	1	\$3,500
Total		\$2,256,500
<i>Source: CTA Architects</i>		

The total cost of the sports complex will be approximately \$2.3 million.

VI. DEMAND AND FINANCIAL ANALYSIS

DEMAND AND FINANCIAL ANALYSIS

This section summarizes the demand and projected operation costs for the proposed Ravalli County Sports Complex. The assumptions contained within this section were developed based on our assessment of the Ravalli County area, the performance of and demand for regional and comparable projects, operations of other sports and recreational facilities, and Johnson Consulting's industry experience. The facility is assumed to have the characteristics outlined within Section 5.

Premise

The proposed project will have substantial capital costs and ongoing operating costs. If the County is serious about serving its residents with quality facilities, additional resources will have to be dedicated to these purposes. The Park Board structure as it exists in the County causes fiefdoms to evolve and hinders the accumulation of resources. In an ideal world, the Ravalli County Park Board would benefit if it evolved in sophistication and had a senior role over smaller jurisdictional park boards. Furthermore, the reformulation of the "cash in lieu of park" program and implementation of the two mills property tax are going to be essential if the County is serious about its green space and parks program. An aggressive fund-raising campaign, state, federal and benefactor support and sponsorship development are typical in development of such projects and will assuage the capital and ongoing operating requirements of the complex.

Baseline Operating Projection

It will take time for the proposed complex to be fully utilized, but at that time it will become a significant addition to the County. Table 6-1 presents an event demand calendar based upon research and case project analysis, a specific building program reflecting an increase in the number of playing fields, and detailed discussions with the various sports organizations.

Table 6-1

Projected Demand for Events					
	Year 1	Year 2	Year 3	Year 4	Year 5
Tournaments Local/Regional	6	8	10	12	14
League Play ¹	11	14	16	17	18
Other	3	3	4	4	5
Total	20	25	30	33	37

¹ Number of leagues, not league games.
Source: Johnson Consulting

As shown in Table 6-1, the proposed sports complex is projected to accommodate 20 events in Year 1, including six tournaments and three other events. Event demand is expected to increase and stabilize at 37 events (not including a variety of other smaller events, such as birthday parties) by Year 5, including 14 tournaments and five other events. The demand is expected to ramp up quickly due to the quality of the facility and the number of youth sports associations and leagues in existence with the need for this type of facility.

Table 6-2 shows the projected attendance, based upon the event demand for the proposed sports complex.

Table 6-2

Participant and Attendee Characteristics					
	Year 1	Year 2	Year 3	Year 4	Year 5
Tournaments					
Total Participants	3,840	5,120	6,400	7,680	8,960
Total Attendees	5,760	7,680	9,600	11,520	13,440
Average Participants per Event	640	640	640	640	640
Average Attendees per Event	960	960	960	960	960
Leagues					
Total Participants	352	448	512	544	576
Average Participants per Event ¹	27	22	21	20	19
Other					
Total Participants	75	75	132	132	250
Total Attendees	750	900	1,400	1,600	2,500
Average Participants per Event	25	25	33	33	50
Average Attendees per Event	250	300	350	400	500
Total Participants	4,267	5,643	7,044	8,356	9,786
Total Attendees	6,510	8,580	11,000	13,120	15,940
Total Attendees/Participants	10,777	14,223	18,044	21,476	25,726
Ratio Attendees to Participants	1.53	1.52	1.56	1.57	1.63

¹ Average participants for leagues are on a per league, not per game basis.
Source: Johnson Consulting

As shown in Table 6-2, the events hosted by the proposed Sports Complex are projected to generate approximately 11,000 participants and attendees in Year 1. Participants are those individuals actively involved in an event, whether playing on a team or participating in a camp. Attendees are defined as passive visitors observing events at the proposed facility, including tournaments. Tournaments are the largest sports-related draw with approximately 3,800 participants and 5,800 attendees projected for Year 1. As the size and number of events increase over the years, total participation/attendance is projected to increase and stabilize to approximately 26,000 in Year 5.

It is important to note that this demand projection considers a strong mix of events, some of which will be more profitable to the facility than others. Certain types of events, such as camps and clinics that are rented to existing organizations, will not produce as much facility revenue as in-house camps and clinics, but it is assumed that for community access and other purpose, these types of events will be accommodated in the facility. Assuming additional demand exists, the facility would be most profitable if it only hosted league activity and other in-house events, but this projection assumes that other event types will be fairly represented in the facility.

Assumptions and Methodologies

The following section describes the assumptions and methodology used to estimate the financial performance of the facility. The projection does not include revenues from novelty sales.

Table 6-3 presents the projected operating statement for the first five full years of operation. All revenues and expenses are adjusted for inflation at a 2.5 percent annual rate.

Table 6-3

Ravalli County Sports Complex Financial Projection (thousands of inflated dollars)					
Item	Fiscal Year				
	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Revenue					
Complex Rentals	\$45	\$60	\$73	\$84	\$97
Concessions and Catering	5	7	9	11	14
Other Revenue	5	5	5	5	6
Total Revenue	\$55	\$72	\$87	\$100	\$116
Operating Expense					
Part-Time Labor	35	51	62	70	80
Utilities	50	62	70	77	84
Repairs and Maintenance	3	4	4	5	5
Insurance	5	5	5	5	6
General, Admin. and Other Operating Expenses	15	15	16	16	17
Other	20	21	21	22	22
Deposit to Maintenance Reserve Account	1	2	4	5	6
Total Expenses	\$129	\$159	\$183	\$200	\$219
Net Operating Income (Deficit) Avail. For Debt Service	(\$74)	(\$87)	(\$96)	(\$100)	(\$104)

Source: Johnson Consulting

As Table 6-3 shows, the facility's net deficit is projected to be \$74,000 in Year 1 with a net deficit of \$104,000 in Year 5. The following text describes each individual line item and the assumptions that were used to develop the projected amounts of revenue and expense.

Operating Revenue

- **Complex Rentals** – Table 6-4 displays the assumptions of rental and usage fees by event type. In all situations, the facility is assumed to charge the event a flat fee or a registration fee for individual users. The specific method used, and the amounts charged, are often negotiable and will likely vary from event to event. However, the amounts listed in the table are assumed to be the average amounts charged for each type of event, and are based on events held at comparable facilities. These rates are inflated for the remainder of the projection.

Table 6-4

Ravalli County Sports Complex Estimated Average Rental Rates		
Event	Rent	Basis
Tournaments		
Regional/National	\$500	per team
Local	\$100	per team
League Play	\$225	per team
Other	\$400	per event
<i>Source: Johnson Consulting</i>		

Rental rates are assumed to be the average amount charged for all events, regardless of type. Rental rates are based upon industry and local demographic knowledge, including analysis of rates charged by comparable facilities.

For regional/national tournaments the average rental rate is \$500 per team, with a \$100 per team rate for local tournaments. Rental rates for league play are estimated to average \$225 per team. Any other type of event will be charged a flat fee of \$400.

Based on these assumptions and the projected facility demand, total rental revenue is projected to be approximately \$45,000 in Year 1 and increase to \$97,000 by Year 5.

- **Concessions and Catering** – It is assumed that the facility will contract with a third-party concessionaire or offer open concessions to provide food and beverage concessions, as well as catering services, as needed. Under this relationship with an outside vendor, it is assumed that the complex will receive a commission from the concessionaire, and this amount is projected to be 20 percent of revenues for concessions and catering.

Revenue projections are based on event attendance and the number of participants and reflect the assumptions of gross per-capita sales and the facility's commission. Table 6-5 displays the assumptions of gross per capita sales for each type of event.

Table 6-5

Ravalli County Sports Complex Estimated Concessions Revenue Per Capita	
Event Type	Per Capita
Tournaments	
Regional/National	
<i>Participants</i>	\$1.50
<i>Attendees</i>	\$3.00
Local	
<i>Participants</i>	\$1.50
<i>Attendees</i>	\$3.00
League Play	
<i>Participants</i>	\$2.00
Other	
<i>Attendees</i>	\$2.50
<i>Source: Johnson Consulting</i>	

Per capita revenue amounts are averages of attendees' and participants' spending for each type of event. Tournament per caps are \$3.00 per attendee and \$1.50 per participant, regardless of whether the tournament is regional/national or local. All other events should generate concession revenue of \$2.50 per attendee. In Year 1, net concessions and catering revenue to the complex is projected to be approximately \$9,000, and this amount is projected to increase to approximately \$26,000 by Year 5.

- **Other Revenue** – This revenue consists of other small revenue items that are not considered in the other line items, such as miscellaneous revenue from vending machines and other such sources. In Year 1, total other revenue is projected to be \$5,000 and will increase to \$6,000 by Year 5.
- **Total Revenue** – In Year 1, total revenue is projected to be \$93,000 and increase to \$190,000 by Year 5.

Expenses

The following text describes the proposed sports complex's projected expenses by line item. Expenses were modeled after comparable local facilities with expenses at approximately \$3,500 per acre.

- **Part-Time Labor** – The facility will be responsible for temporary labor that will be necessary to host events. This will include maintenance staff, referees for leagues, instructors for in-house camps and clinics, and other such positions. It is assumed that part-time labor expense will be \$35,000 in Year 1, and this amount is inflated in future years and also increases accordingly as event demand increases through Year 5.

- ***Utilities*** – Based on utility expenses at comparable facilities and the Complex's projected demand, it is assumed that the utilities expense will be \$50,000 in Year 1 and is inflated in future years and will also increase as number of events hosted by the facility increases.
- ***Repairs and Maintenance*** – This item consists of expenses incurred to repair or maintain the facility and its surrounding areas, such as landscaping, plumbing and electrical work, seat repairs, and exterminating. This expenditure is expected to increase for inflation and with increases in facility demand. The projection estimates repairs and maintenance expense to be \$3,000 in Year 1 and increase to \$5,000 in Year 5.
- ***Insurance*** – Based on insurance expense of facilities of similar size and level of activity, the projection estimates insurance expense to be \$5,000 in Year 1, and is inflated thereafter.
- ***General, Administrative and Other Operating Expenses*** – This includes items such as trash, communications, staff travel, professional fees, and other relatively small expenses. This item is projected to be \$15,000 in Year 1 and increase to \$17,000 in Year 5.
- ***Other Expenses*** – These represent expenses for other small items that are not considered in the previous line items. Other expense is projected to be \$20,000 in Year 1.
- ***Deposit to Maintenance Reserve Account*** – The facility is expected to maintain a capital reserve account of five percent of annual revenues. However, in Year 1 and Year 2 this amount is projected to be 1.25% and 2.5% respectively. This reduced number is based on the potential warranties and newness of the facility. However, this amount increases to 5% in Year 3 and thereafter. As a result, this item is projected to be \$4,000 in Year 3 and increase to \$6,000 in Year 5. This account should be funded on an annual basis to help ensure that large capital expenditures can occur as the facility ages.
- ***Total Expenses*** – Based on the assumptions related to the expense line items, total expenses are projected to be approximately \$129,000 in Year 1, and increase to \$219,000 in Year 5.
- ***Net Operating Income (Deficit) Available for Debt Service*** – Based on the assumptions of operating revenues and expenses, the Complex's net operating income available for debt service is not projected to be positive for at least 10 years with a net operating deficit in Year 5 of \$104,000. This projection does include any costs associated with land acquisition, but does not include debt service costs associated with the facility's construction.

Other Considerations

Several factors are not accounted for in the above projection of the proposed sports complex's financial operation. The funding arrangement for the facility has not been decided at this time. Expenses such as annual lease payments and debt service payments for land and construction costs have not been factored into this analysis. As part of this generation of demand, discounts of rental rates may be necessary, which will further impact the bottom line of the facility. Additional revenue generators, such as parking charges, have not been included in this financial projection due to the price sensitivity of the market. In kind services, joint operation with other facilities, and services from other County departments could also reduce operating costs.

VII. POTENTIAL SITE ANALYSIS

SITE REVIEW AND ANALYSIS

CTA Architects Engineers, acting as consultants to C. H. Johnson, Inc., has identified five potential sites for the proposed Sports Complex. The selection of these sites was made based on potential land availability, preliminary program data, location within the community, and the ability to accommodate selected needs of the proposed Sports Complex.

While each site exhibits positive attributes and could provide the recommended components of the proposed program, the intent (and conclusion) of this analysis is to present the site that offers the optimum mix of attributes. In conducting the site analysis, the framework objectives were to identify the site that is best positioned to contribute to the probable success of the Sports Complex, as measured by:

- Current market value;
- Physical diversity and range of the site;
- Required development horizon and needs (e.g., might existing infrastructure allow for more immediate use or offer cost positive attributes);
- Ability to accommodate near and long-term programming objectives;
- Capability to generate the largest possible user base, which includes items such as proximity to other entertainment venues to accessibility to daily recreation potential to hosting non-sports events;
- Economic development opportunities; and
- Access to roads, trails and schools.

In addition to these factors, there are numerous subtleties and conditions that were also factored into the analysis, but the points above accurately capture the overarching requirements. The balance of this section summarizes the characteristics of each site and reviews the capacity of each to satisfy the designated program criteria.

Potential Site Descriptions

Gary Shook & Plumtree Properties, LLC

This site is comprised of a 20 acre parcel and a contiguous 43.96 acre parcel that is located approximately one quarter mile south of the traffic light at Golf Course Road. The site is located just south of and behind Quality Supply and abuts Skalkaho Creek and the Bitterroot River. The site is currently being monitored for potential septic approval and expects to have at least two sites approved by August,

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2006. Most of the land lies in a flood plain but is dry. There is potential for the addition of nature paths to the river and a park near the river under large cottonwood trees. The property to the south is open pasture and a large pond, the property to the north is part of the Fetch Inn pheasant hunting preserve. There currently is an asphalt walking path that extends from the City of Hamilton and extends south to the bridge at Anglers' Roost. Figure 7-1 and Figure 7-2 display pictures of the site.

Figure 7-1



View: Looking west, northwest from entrance at Highway 93.

Figure 7-2



View: Looking west, down the southern property line from the entrance.

The land is currently privately owned and is not on the market. The owner has plans for two private residences on the property, a walking path and six ponds. The owner is an advocate for a unified park complex and would be willing to engage in conversation about the sale of this property. There currently is no price set on this property but the owner would consider a market value offer which, according to the owner, is \$25,000 to \$28,000 per acre.

According to the owner, the City of Hamilton has considered annexing this property into the City. The City sewer main is approximately one quarter mile north of this property.

This site provides a unique setting, especially as it abuts the Bitterroot River and Skalkaho Creek which could provide a natural setting for camping or picnicking and because of the rural nature it provides separation for the baseball component. Because this property is naturally, relatively flat, it will not require major infrastructure additions, which could interrupt the natural setting and internal boundaries that are already in place.

Positive Attributes:

- Naturally flat profile.
- Land is adjacent to the Bitterroot River.
- Land has an existing public walking path on the east entrance.
- Provides isolated site that can provide the unique experience for tournaments, competitions and family park enjoyment.

Negative Attributes:

- More land than necessary to fulfill the needs of the current and future Sports Complex.
- Potential for spring time flooding.
- Flood plain limits structured elements.

Bitterroot Stock Farm

The Bitterroot Stock Farm site is part of the Daly Mansion Estates. The property is located south of the Daly Mansion and adjacent to the East Side Highway and Fairgrounds Road. There are approximately 260 acres in the offering which is currently listed by Discover Montana Realty, Henry Silverio and Wendy Burgener, Brokers. There is a possibility of obtaining a portion of this acreage without the purchase of the whole parcel. The price of the parcel is \$8,500,000 for the full 260 acres or approximately \$32,692 per acre. Figure 7-3 displays a picture of the site.

Figure 7-3



View: Looking west from the East Side Highway, near the junction with the Fairgrounds Road.

As the photo shows, the site is wide-open and flat, which will make it easy to construct a potential Sports Complex. The location of this property in proximity to the City Center, the Hamilton High School and the Corvallis community is a plus.

Positive Attributes:

- Large site with very few encumbrances.
- Historical aspect of site creates sense of intimacy, which will contribute the quality of user experience, especially for national/regional tournament play.
- Existing acreage for potential expansion and future development.
- Located proximate to local high school that could serve as a funding partner and user of the Sports Complex.
- Located near the City Sewer Main and City water.

Negative Attributes:

- Cost per acre.
- Potential ability to split off a portion from the whole parcel.

Bitterroot Stock Farm, Harold Mildenberger, Owner

This property lies at the north end of the Hamilton Airport and lies adjacent to the East Side Highway near the junction of the East Side Highway and Fairgrounds Road. This property is historically divided into 20 acre parcels with the property contiguous to the highway running with the narrow portion of the lots perpendicular to the highway and the lots lying more easterly running the opposite direction. Mr. Mildenberger has not been motivated to sell this property in the past, but would be willing to entertain a discussion of parting with a portion for a Sports Complex. Mr. Mildenberger has also entertained an interest in the possibility of a baseball stadium or complex being named after his family. Mr. Mildenberger has been in discussion with officials about extending the sewer main under the East Side Highway, by or through this property, to provide sewer to a future subdivision north of the Airport. There may be an opportunity for a portion of this property to be gifted. The Mildenbergers have been selling adjacent property for \$30,000 per acre. Figure 7-4 displays a picture of the site.

Figure 7-4



View: Looking south, southeast from the East Side Highway. Hamilton airport can be seen in the distance. Fairgrounds road is to the right of the trees on the right side of the photo.

This property is currently used as irrigated pastureland and has several large groves of old growth willow trees on the southern border.

Positive Attributes:

- Flat land with little need of fill or overburden removal.
- Close proximity to Hamilton, Hamilton High School, highways and the extension of a future trail system.

Negative Attributes:

- Property is currently not offered for sale.
- Cost per acre.

Bitterroot River RV Park, Woodside, MT

This property is located north of Hamilton on the Woodside to Corvallis cutoff. The property lies immediately south, east of the junction with Highway 93 on the cutoff road. The property contains 43+ acres that are flat and usable. This property has ½ mile of Bitterroot River frontage on the eastern border, a home that was remodeled in 1985, wells, septic, electrical, shower/toilet building, 24x36 garage and 51 shares of water rights from the Bitterroot River. Figure 7-5 and Figure 7-6 display pictures of the site.

Figure 7-5



View: Looking south from the Woodside cutoff road.

Figure 7-6



View: Looking southwest from the bridge over the Bitterroot River.

Positive Attributes

- Large site with existing infrastructure
- Natural amenities present intimate setting.
- Located proximate to area hotels.
- Easily accessible to other retail, restaurant, and entertainment venues.
- The existing home could create up to \$1,000 per month in rental income.

Negative Attributes

- Site is slightly constrained by size.
- May require some flood control measures.

Mule Creek Acres

This property is located east of Hamilton on Fish Hatchery Road, approximately two miles from the traffic light at Highway 93 and Golf Course Road. The property contains 43.75 acres that are flat and usable. This property has septic approval at one site on the southwest corner of the property. The property has two new ponds near the border with Fish Hatchery Road. Figure 7-7 displays a picture of the site.

Figure 7-7



View: Looking east from the northwest property corner on Fish Hatchery Road

Positive Attributes

- Flat and nearly 100% usable.
- Irrigation rights.
- Near pave road.

Negative Attributes

- Site is slightly constrained by size.

- Future growth is limited by property size but is surrounded by agricultural land.
- Distance to the City of Hamilton.
- Not on a major thoroughfare or circulation center.

Site Rankings

Building on the analysis above, Johnson Consulting, along with CTA Architects Engineers, developed criteria with regard to the physical and programming requirements. Each site was then analyzed and ranked based on common application of these criteria, using a scoring system that assigns a point value based on a rating of: excellent (1), fair (2), and poor (3). A lower score translates to a more optimal site. Given the extensive and detailed range of criteria and the number of sites, it is not practical to present a written definition of each consideration and a description of application in relation to each site. Nonetheless, the matrix presented below summarizes the criteria, and presents the rankings. In addition, in order to match site potential directly to programming requirements, each criterion is also described in relation to its overall contribution (critical, important, or minor) to these objectives.

The analysis and scoring appears in Table 7-1.

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Table 7-1

		Comparison of Sites						
	Priority	Gary Shook Properties	Bitterroot Stockfarm	Mildenberger Stockfarm	Bitterroot RV Park	Rvr	Mule Acres	Creek
Marketing Considerations								
Proximity to hotels	Critical	1	1	1	2		2	
Adjacent land use compatibility	Important	1	1	1	1		1	
Adjacent land use compatible/noise	Important	1	2	1	1		1	
Proximity to airport	Minor	1	1	1	2		2	
Proximity to retail/restaurants	Important	1	1	1	2		2	
Proximity to entertainment	Important	1	1	1	2		2	
General tourism appeal	Important	1	1	1	1		2	
Ability to accommodate full masterplan	Important	1	1	1	2		2	
Project Development Considerations								
Maximize new spending to the community	Critical	1	1	1	2		2	
Proximity to residential neighbors (ie how invasive)	Important	1	2	1	2		1	
Ability to construct restrooms	Critical	2	1	1	1		1	
Ability to construct soccer fields	Critical	1	1	1	1		1	
Ability to construct baseball fields	Critical	1	1	1	1		1	
Ability to construct parking	Critical	1	1	1	1		1	
Site Access								
Access via arterial highways	Critical	1	1	1	1		2	
Support bus access/staging	Important	1	1	1	1		2	
Ability to communicate site location	Important	1	2	1	1		2	
Overflow Parking	Important	1	1	1	2		1	
Site Development Costs								
Site availability	Critical	2	3	3	1		1	
Demolition & site preparation	Important	1	1	1	2		1	
Construction complexity	Important	1	1	1	1		1	
Finance and Operations								
Site acquisition cost	Critical	2	3	3	1		1	
Autonomy of sports complex	Important	1	1	1	1		1	
Total (Lowest is Best)		26	30	27	32		33	
Legend								
Excellent	1							
Fair	2							
Poor	3							

Source: CTA Architects

Source: CTA Architects

In keeping with site summaries and description of positive and negative attributes above, the Hamilton Road Property achieved the lowest (and best) sub-total in relation to factors under the headers of Marketing Considerations, Project Development Considerations, Site Access, Site Development Costs, and Finance and Operations.

- This rating flows directly from factors such as accessibility to other tourism infrastructure, the existing site which allows for minimal site preparation and cost effective conversion to a sports complex; ability to host the full building program; and the collaborative potential between the sports component and other ancillary developments that would maximize the general tourism appeal of the site.

- **Gary Shook & Plumtree Properties, LLC** exhibits several positive attributes; close proximity to infrastructure and tourism, access to the Bitterroot River, visible from Highway 93 and it is already accessible from the existing trail system. The property size allows for future growth.
- **Bitterroot Stock Farm** exhibits several positive attributes; close proximity to infrastructure and tourism, access to the Hamilton High School, accessible to the residents of the City of Hamilton and the community. The property size allows for future growth.
- **Bitterroot Stock Farm, Harold Mildenberger owner** exhibits several positive attributes; close proximity to infrastructure and tourism, access to the Hamilton High School, accessible to the residents of the City of Hamilton and the community. The property size allows for future growth.
- **Bitterroot River RV Park at Woodside** exhibits several positive attributes; close proximity to infrastructure and tourism, accessible to the residents of the City of Hamilton and the community. The property size does not allow for future growth.
- **Mule Creek Acres** exhibits several positive attributes; flat usable acreage, two ponds, near a paved access road, irrigation rights and an approved septic site. The site is limited by size and is quite removed from the activity center of Hamilton.

Implications and Recommendation

As the above matrix illustrates, the Gary Shook Property exhibits the most effective combination of attributes. The Mildenberger site and Daly Mansion/Stock Farm sites were the second most appropriate sites based on the matrix factors. The Stock Farm site is privately-owned and listed as 260 acres and may not be available to purchase as a portion of the total. The Mildenberger Stock Farm site is not currently on the market but the owner has expressed a willingness to talk. Each of these sites is expected to have a high acquisition cost. As a result, the Gary Shook site should be viewed as the most appropriate site for a Sports Complex in Ravalli County. It provides a secluded property without any current encumbrances. In addition, the site is owned by an advocate of the proposed Sports Complex. The size of the Gary Shook Property is also conducive to the entire contemplated build-out for the Sports Complex.

VIII. ECONOMIC AND FISCAL IMPACT

ECONOMIC AND FISCAL IMPACT ANALYSIS

This section analyzes the incremental and total benefit that would be generated by event activities at the proposed Ravalli County Sports Complex. The analysis focused on event demand and attendance activities in the facility as described in Section 6.

For the purpose of this analysis, impact totals are discussed in terms of the Ravalli County area economy. The levels of impacts are described as follows:

- ***Direct impacts*** - are an expression of the spending that occurs as a direct result of the events and activities that occur in the Sports Complex. For example, users' of the sports complex expenditures on hotel rooms and meals are a direct economic impact. Included within the analysis are spending within the Sports Complex itself, as these also direct impacts.
- ***Indirect impacts*** - consist of re-spending of the initial or direct expenditures, or, the supply of goods and services resulting from the initial direct spending in these facilities. For example, an attendee's direct expenditure on a restaurant meal causes the restaurant to purchase food and other items from suppliers. The portion of these restaurant purchases that are within the local, regional, or state economies is counted as an indirect economic impact.
- ***Induced impacts*** - represent changes in local consumption due to the personal spending by employees whose incomes are affected by direct and indirect spending. For example, a waiter at the restaurant may have more personal income as a result of the Sports Complex attendee's visit. The amount of the increased income the waiter spends in the local economy is considered an induced impact.
- ***Personal income*** - measures increased employee and worker compensation related to the events being analyzed. This figure represents increased payroll expenditures, including benefits paid to workers locally. It also expresses how the employees of local businesses share in the increased outputs.
- ***Employment impact*** - measures the number of jobs supported in the study area related to the spending generated as a result of the events occurring in the Sports Complex. Employment impact is stated as a number of full-time equivalent jobs.

This analysis differentiates spending impacts by people coming from out-of-town and by local residents, as defined below:

- **Net New Spending** - is spending by out-of-town attendees, participants, exhibitors, and other visitors who come from outside the subject area (Ravalli County and the State of Montana) which represents the amount of "new dollars" that flow into the respective economies.
- **Transfer Spending** - in strict economic terms, spending by those who live in the market area represents "transfer" spending. For example, a resident of Ravalli County who attends an event at the Ravalli County Sports Complex would transfer income from one sector of the County's economy to another, and therefore is not bringing new dollars into the County economy. Nevertheless, they are part of the economic activities attributable to the facility.

Therefore, the analysis will present total impacts of the proposed Ravalli County Sports Complex as expressed through the sum of net new spending (to the County and State of Montana) plus transfer spending.

Ravalli County Sports Complex Event Characteristics

In the first stabilized year of operation (Year 5), the Ravalli County Sports Complex is projected to host a total of 37 events, generating approximately 10,800 total visitors. Table 8-1 summarizes the event demand by type of events.

Table 8-1

Ravalli County Sports Complex Projected Event Demand and Total Visitors Year 5				
	# of Events	# of Total Participants	# of Total Attendees	Total Participants & Attendees
Tournaments				
Local/Regional	14	3,840	5,760	9,600
League Play	18	352	0	352
Other	5	75	750	825
Total	37	4,267	6,510	10,777

Source: Johnson Consulting

The number of days that an attendee/participant spends in the market (person-days) serves as the basis of the economic impact estimate. Based on the attendance figures presented above, Johnson Consulting estimated the number of person-days that resulted from the activities hosted in the facilities. Table 8-2 and Table 8-3 below show the assumptions of visitor origin, derived from actual data (when available) and from experience with similar facilities in similar markets, adjusted to

reflect the Ravalli County market. Analysis of visitor origin is examined separately for participants and attendees.

The assumptions are also based on the size and population of the areas: Ravalli County with an estimated population of 39,376 people in 2004 and the State of Montana with an estimated 926,865 people in 2004.

Participants

Table 8-2 also shows the assumptions used for estimating the origin of participants to the facility, for the first stabilized year of operation (Year 5).

Table 8-2

Ravalli County Sports Complex Participant Origin Assumptions				
	Average Event Length	% from County	% from Outside County	% from Outside State
		(a)	(b)	(c)
Tournaments				
Local/Regional	1.6	20%	80%	52%
League Play	1.3	70%	30%	5%
Other	1.1	30%	70%	21%
<i>Notes:</i>				
<i>Column (a) represents the percentage of event attendees who are County residents.</i>				
<i>Column (b) represents the percentage of event attendees who are out-of-County visitors.</i>				
<i>Column (a) plus Column (b) equals 100 percent.</i>				
<i>Column (c) is a subset of Column (b). It expresses the percentage of all out-of-State visitors.</i>				
<i>Source: Johnson Consulting</i>				

The numbers of participants in the local market is the primary indicator of event impacts. Accordingly, Johnson Consulting based on prior experience in similar markets, developed estimates of local and non-local person-days. Table 8-3 shows these estimates, as well as the number of room nights generated, which corresponds to room night projections, for the first stabilized year of operation (Year 5).

Table 8-3

Estimate of Participant Person-Days and Room Nights - Ravalli County Sports Complex					
	# of Participants	# of Participant Person-Days			# of Room Nights
	(a)	Local (b)	From Outside County (c)	From Outside State (d)	(e)
Tournaments					
Local/Regional	3,840	1,229	4,915	3,195	1,540
League Play	352	320	137	23	40
Other	75	25	58	17	20
Total	4,267	1,574	5,110	3,235	1,600

Notes:
Column (b) represents the estimated person-days from attendees who are County residents.
Column (c) represents the estimated person-days from attendees who are out-of-County visitors.
Column (d) is a subset of Column (c). It expresses the estimated person-days from visitors from outside Brazos County.
Column (d) is a subset of Column (c). It expresses the estimated person-days from out-of-State visitors.
Source: Johnson Consulting

As shown in the table, events at the Sports Complex are estimated to generate approximately 1,600 local person-days and 5,100 person-days from out-of-County participants, including 3,200 person-days from out-of-State participants. These participants are estimated to generate 1,600 room nights.

Attendees

As with participants, Table 8-4 shows the assumptions used for estimating the origin of attendees to the facility, for the first stabilized year of operation (Year 5).

Table 8-4

Ravalli County Sports Complex Attendee Origin Assumptions					
	Average Event Length	% from County	% from Outside County	% from Outside MSA	% from Outside State
	(a)	(a)	(b)	(e)	(c)
Tournaments					
Local/Regional	1.6	30%	70%	35%	50%
League Play	1.3	70%	30%	15%	5%
Other	1.1	30%	70%	35%	21%
<i>Notes:</i>					
<i>Column (a) represents the percentage of event attendees who are County residents.</i>					
<i>Column (b) represents the percentage of event attendees who are out-of-County visitors.</i>					
<i>Column (a) plus Column (b) equals 100 percent.</i>					
<i>Column (c) is a subset of Column (b). It expresses the percentage of all out-of-State visitors.</i>					
<i>Source: Johnson Consulting</i>					

The numbers of attendees coming into the local market is the primary indicator of event impacts. As with the participant estimates, Johnson Consulting, based on prior experience in similar markets, developed estimates of local and non-local person-days. Table 8-5 shows these estimates, as well as the number of room nights generated, which corresponds to room night projections, for the first stabilized year of operation (Year 5).

Table 8-5

Estimate of Attendee Person-Days and Room Nights - Ravalli County Sports Complex						
	# of Attendees	# of Attendee Person-Days				# of Room Nights
		Local	From Outside County	From Outside MSA	From Outside State	
		(b)	(c)	(f)	(d)	
Tournaments						
Local/Regional	5,760	2,765	6,451	3,226	4,608	1,730
League Play	0	0	0	0	0	0
Other	750	248	578	289	173	150
Total	6,510	3,012	7,029	3,514	4,781	1,880
<i>Notes:</i>						
<i>Column (b) represents the estimated person-days from attendees who are County residents.</i>						
<i>Column (c) represents the estimated person-days from attendees who are out-of-County visitors.</i>						
<i>Column (d) is a subset of Column (c). It expresses the estimated person-days from out-of-State visitors.</i>						
<i>Source: Johnson Consulting</i>						

As shown in the table, events at the Sports Complex are estimated to generate approximately 3,000 local person-days and 7,000 person-days from out-of-County

attendees, including 4,800 person-days from out-of-State attendees. These attendees are estimated to generate 1,880 room nights.

Total Visitors

The numbers of total visitors to the facility is the sum of participants and attendees to the facility, as shown in Table 8-4 and Table 8-5. Table 8-6 presents total visitors to the facility by origin, for the first stabilized year of operation (Year 5).

Table 8-6

Estimate of Total Visitor Person-Days and Room Nights - Ravalli County Sports Complex						
	# of Visitor Person-Days					# of Room Nights
	# of Visitors	Local	From Outside County	From Outside MSA	From Outside State	
	(a)	(b)	(c)	(f)	(d)	(e)
Tournaments						
Local/Regional	9,600	3,994	11,366	5,683	7,803	3,270
League Play	352	320	137	69	23	40
Other	825	272	635	318	191	170
Total	10,777	4,586	12,139	6,069	8,016	3,480

Notes:
Column (b) represents the estimated person-days from attendees who are County residents.
Column (c) represents the estimated person-days from attendees who are out-of-County visitors.
Column (d) is a subset of Column (c). It expresses the estimated person-days from out-of-State visitors.
Source: Johnson Consulting

As shown in the table, events at the Sports Complex are estimated to generate a total of 4,600 person-days from Ravalli County visitors and 12,100 person-days from out-of-County visitors, including 8,000 person-days from out-of-State visitors. These visitors are estimated to generate 3,500 room nights.

Economic Impact Analysis

As the basis for direct spending estimates for the economic impact analysis, Johnson Consulting used the average daily spending per visitor as shown in Table 8-7, for the first stabilized year of operation (Year 5). The average daily spending assumptions are derived from a spending survey by the International Association of Convention and Visitors Bureaus (IACVB) adjusted to reflect Johnson Consulting's experience for similar projects in comparable markets. The spending amounts below are shown in 2005 dollars.

Table 8-7

Average Daily Spending per Visitor (in 2005 Dollars)	
Type of Spending	
Food and Beverage	\$25.00
Transportation (gas, etc.)	8.87
Other (retail, entertainment, etc.)	25.00
Lodging	70.00
Total- Day-Trip	\$58.87
Total- Overnight	\$128.87
<i>Source: IACVB, Johnson Consulting</i>	

As the table shows, total day-trip spending averages \$58.87 per visitor, consisting of \$25.00 in food and beverage expenses, \$8.87 in transportation expenses, and \$25.00 in other expenses. Lodging expense for overnight guests is assumed at \$70.00. Total spending for overnight visitors is assumed at \$128.87.

Table 8-8 shows the estimated economic impact of the proposed Ravalli County Sports Complex events, for the first stabilized year of operation (Year 5). Johnson Consulting utilized the IMPLAN input-output model to estimate indirect and induced impacts. IMPLAN is a nationally recognized model commonly used to estimate economic impacts. An input-output model analyzes the commodities and income that normally flow through the various sectors of the economy. The indirect and induced spending and employment effects represent the estimated changes in the flow of income and goods caused by the direct spending associated with the new facility.

Table 8-8

Ravalli County Sports Complex				
	From Transfer Spending by Locals (a)	Economic Impact (\$000)		Gross County Total (d)
		Net New to County (b)	Net New to State (c)	
Sports Complex				
Direct Spending	\$270.0	\$958.2	\$591.3	\$1,228.1
Indirect Spending	46.5	138.7	178.5	185.2
Induced Spending	40.2	112.6	200.6	152.8
Total	\$356.6	\$1,209.5	\$970.3	\$1,566.1
Personal Income	\$24.1	\$81.2	\$79.5	\$105.3
Employment (in FTE)	1	3	3	4
<i>Notes:</i> Column (a) represents economic impact from spending by County residents. Column (b) represents economic impact from spending by all out-of-County visitors. Column (c) is a subset of Column (b). It expresses economic impact from spending by all visitors from outside Ravalli County. Column (d) = Column (a) + Column (b). Source: Johnson Consulting				

As shown in the table, Johnson Consulting projects, that in its stabilized year of operation, the proposed Ravalli County Sports Complex is estimated to generate approximately \$1.6 million in total direct, indirect, and induced spending, \$105,000 in earnings, and 4 jobs, including impacts from both transfer spending and net new spending. In order to accurately portray the economic impact, it is important to understand that true impact is represented by the spending that is net new to the County, as transfer spending would occur in the County regardless of whether a Sports Complex is in existence or not. *As such, the total net new spending to the County as a result of events that occur at the proposed Sports Complex is \$1.2 million.*

Table 8-8 also shows the proportion of each measured impact that represented new activity at the County and State levels, as summarized in columns (b) and (c). When viewed as a collective unit, the net new impact to Ravalli County combined is projected to be approximately \$1.2 million in spending, \$81,200 in increased earnings, and three jobs. On a statewide level, the events at the facility are projected to generate approximately \$970,300 in net new spending, \$79,500 in increased earnings, and three jobs.

Fiscal Impact Analysis

Fiscal impacts are tax revenues that result from the spending and income related to the activities at the proposed Ravalli County Sports Complex. The State of Montana has no sales tax and the only type of tax that can make a fiscal impact is the lodging tax. Like the annual spending estimates on which they are based, fiscal impacts are based on event demand and attendance in their stabilized year of operation.

The fiscal impacts are the public sector's return on investment. Fiscal impacts provide a partial offset to the capital and operating expenditures required to support the development of the facility. Although the incremental tax revenues cannot be expected to pay for a publicly-funded project in full, fiscal impacts are important because they improve the ability of the public sector to pay for the project. The overall economic impacts, including the fiscal impacts, provide a rationale for public participation in a project.

Based on the gross spending shown in Table 8-8, Johnson Consulting estimated the fiscal impacts from two major categories of tax revenues that are directly affected by event attendees' activity: general sales tax and lodging tax. Since there is no sales tax the hotel/motel tax is listed below:

- ***Hotel/Motel Tax*** – is 7.00 percent of hotel room sales (the general sales tax is also applied to lodging), which includes:
 - County lodging tax 7.00 percent.

Not included in the analysis at this point are property tax and income tax estimates. Spending outside the Ravalli County Sports Complex would increase some of the values of commercial establishments in the area, which result in increased property tax supported by the project.

Table 8-9 summarizes the fiscal impact estimates from general sales tax and lodging tax, for the first stabilized year of operation (Year 5).

Table 8-9

Estimate of Fiscal Impacts - Ravalli County Sports Complex					
	Taxable Spending (\$000's)	Tax Rate	Tax Revenues (\$000's)		
			From Transfer Spending	Net New	Gross Total
Lodging Tax					
County	244	7.00%	\$0.0	\$17.1	\$17.1
Total Hotel/ Motel Tax		7.00%	\$0.0	\$17.1	\$17.1
Total Tax Revenues			\$0.0	\$17.1	\$17.1

**Includes spending on eating and drinking, shopping, lodging, and other.*
Source: Johnson Consulting

As the table shows, direct spending generated by events at the proposed Ravalli County Sports Complex are projected to result in approximately \$17,000 in total tax revenues.

The County is likely to incur expenses related to providing services to the facility that is not estimated in this analysis. These expenses include police, fire protection, emergency medical services, traffic control, street maintenance, sanitation, and other ongoing operating expenses required to maintain the environment around the facility. While many of these costs are charged back to facility users, inevitably these costs would, to some extent, decrease the overall fiscal benefit to the public sector.

Construction Impact

In addition to the ongoing impacts from the operation of the facility, the construction of the Ravalli County Sports Complex would create a one-time influx of construction spending. The construction spending also results in employment in many sectors of the local economy.

Based on the estimated \$2.26 million in construction costs, Table 8-10 shows the total direct spending and the estimated indirect and induced impacts that the construction of the facility would generate to the local economy. The estimate assumes that 60 percent of the cost will go to labor and 40 percent of cost will go to materials (or \$903,000), on which the fiscal impact estimate is based.

Table 8-10

Estimated Economic and Fiscal Impacts of Construction Activity	
	Impact (\$000's)
Economic Impact	
Direct Construction Spending*	\$903
Indirect Spending	134
Induced Spending	116
Total Spending	\$1,152
Personal Income	\$232
Employment (in FTE)	10.2
<i>*From spending on materials only.</i>	
<i>Source: Johnson Consulting</i>	

As shown on the table, the construction activity is projected to account for a total direct, indirect, and induced spending of \$1.2 million, increased earnings of \$232,000, and 11 jobs. Because construction is a one-time event rather than an ongoing operation, these jobs are counted in "job-years" each representing one-year of work for one person. There is no fiscal impact from construction.